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FCC Mail Room

Kings Canyon Unified School District
675 W. Manning Avenue
Reedley, CA 93654
(559) 305-7024

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the matter of)	
)	
Request for Review by)	
)	
Kings Canyon Unified School District)	
)	
Schools and Libraries Universal Service)	CC Docket No. 02-06
Support Mechanism)	
)	

REQUEST FOR REVIEW

Funding year 2008¹ (7/1/2008 to 6/30/2009)
Form 471 Application No.: 602928
Funding Request Nos.: 1661563 and 1706025

Funding Year 2009 (7/1/2009 to 6/30/2010)
Form 471 Application No.: 672183
Funding Request Nos.: 1834939 and 1834943

Funding Year 2010 (7/1/2010 to 6/20/2011)
Form 471 Application No.: 715729
Funding Request No.: 1948020

Billed Entity Name: Kings Canyon Unified School District
Billed Entity No.: 144054
Billed Entity FCC Registration No.: 0006743595

¹ There are three Forms 471, from three funding years (Funding Year 2008, Funding Year 2009 and Funding Year 2010) that are the subject of this Request for Review. All three Forms 471 contain Funding Request Numbers (FRNs) listing Trillion Partners, Inc. as the service provider; the FRNs that are the subject of this Request for Review were all denied for the same reason. Therefore, the applicant respectfully requests that all three appeals be combined in this one Request for Review.

I. Introduction and Background

Kings Canyon Unified School District ("KCUSD") respectfully requests a review of the Funding Commitment Decision Letters issued by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company, dated September 14 and September 15, 2010² denying the funding requests on the three Form 471 applications cited above, filed for Funding Years 2008, 2009 and 2010 respectively, by KCUSD. In each case the denial reason was:

"This FRN is denied because the documents provided by you and/or your vendor indicates that there was not a fair and open competitive bid process free from conflicts of interest. The documentation provided by you and/or your service provider indicates that prior to/throughout your contractual relationship with the service provider listed on the FRN, that you were offered and accepted either gifts, meals, gratuities, entertainment from the service provider, WHICH resulted in a competitive process that was no longer fair and open and therefore funding is denied."(emphasis in the original)

The subject of the denials was wireless WAN services which were obtained under a five year contract Kings Canyon Unified School District awarded to Trillion Partners, Inc. originally in February 2005³. That contract was amended and restated in 2007, for a five year period.

Given the totality of circumstances surrounding the competitive bidding which resulted in the underlying contract (and its subsequent amendment) which was the basis for the cited funding requests, we believe that SLD erred in determining the payment of certain conference-related and other meal expenses paid by Trillion Partners, Inc. constituted a *per se* violation of the requirement for a "fair and open" competitive bidding

² The letter dated September 14 denied FRN 1948020 for Funding Year 2010 (Form 471 715729); one letter dated September 15 (misdirected in the mail and redated by USAC as September 28, 2010) denied FRN 1661563 and FRN 1706205 for Funding Year 2008 (Form 471 602928) and the other letter dated September 15 denied FRN 1834939 and FRN 1834943 for Funding Year 2009 (Form 471 672183).

³ It is noted that SLD mistakenly claimed that the contract began in 2007, as the result of a Form 470 (number 79580000587057), when actually the contract started in 2005 and was amended and extended as a result of the cited Form 470 in 2007.

process, without any consideration of the timing, circumstances or amount of the expenses. In fact, SLD has failed to provide any explanation or to show there is any link between the expenses in question and any “conflict of interest” or other problem in the competitive bidding process.

KCUSD is a California public school district serving kindergarten through twelfth grades. KCUSD serves around 10,000 students but covers a very large area of approximately 600 square miles. The area is largely rural and agricultural. Technology infrastructure is not well developed in the area.

As described below KCUSD and Trillion Partners, Inc. (“Trillion”) did not share any improper information that would give Trillion an advantage in bidding. Trillion did not have any information that other bidders lacked. KCUSD did not change its request for services, its request for proposals, or its bidding / contracting process in any way that would give Trillion an advantage. Furthermore, the standard by which SLD determined the receipt of “gifts, meals, gratuities, entertainment from the service provider, ... resulted in a competitive process that was no longer fair and open” without any specificity as to such gifts, meals, gratuities or entertainment, was arbitrarily and incorrectly applied.

We now respectfully request a review of the three pertinent and previously referenced SLD funding commitment decisions.

II. Discussion

A. Background on the relationship between KCUSD and Trillion

Prior to the issuance of the Funding Commitment Decision Letters, in a letter dated June 4, 2010, SLD advised KCUSD that it was going to deny five FRNs (1661563, 1706205, 1834939, 1834943 and 1948020) because KCUSD “did not conduct a fair and

open competitive bidding process. The Form 470 (No. 79580000587057) associated with these FRNs was posted on September 26, 2006 and the Contract Award Date was February 7, 2007.”

The actual history of what happened (which had been explained to SLD in a letter dated July 2, 2010 in response to SLD’s June 4 letter) showed that KCUSD had a long-standing contractual relationship with Trillion stemming from a Form 470 and an RFP posted by KCUSD in December 2004, seeking a variety of services including a wireless WAN. KCUSD received the following bids in response to the request for wireless WAN services:

Trillion Partners	\$240,004 (35 and 100 Mbps)
Contera	\$392,580 (45 Mbps)
Contera	\$421,332 (100 Mbps)

All three bids met the minimum requirements for responsiveness, however, only Trillion’s bid had a competitive price. KCUSD and Trillion signed a contract in February 2005.

In September 2006 KCUSD posted a new Form 470 (application number 792580000587057) asking for, among other things, additions to the existing wireless services, including increases in speed at one school and adding a new school site.

KCUSD received only one bid in response to this Form 470. The bid was from Trillion Partners, Inc. in the amount of \$317,568. As a result, Trillion and KCUSD restated and amended their existing contract. The amended contract was signed in February 2007.

B. Was there a “fair and open” competitive process?

The SLD June 4 letter questions whether meals and travel provided by Trillion are inconsistent with the fair and open competitive bidding process, however they provided no specific evidence showing how payment of such expenses for employees unrelated to the vendor selection process had the effect of tainting the competitive bidding process. There was no evidence presented of how the vendor selection process was unfairly influenced, nor how Trillion was supplied with “inside information” or allowed to compete unfairly in any way. We maintain that such evidence was not presented because it does not exist. The receipt of meals and travel expenses was lawful under state procurement and gift laws⁴.

The June 4 letter states, “By accepting the free trip to Austin, Texas and the numerous meals offered by Trillion, it does not appear that the competitive bidding process was not (sic) fair and open.” The letter goes on to state “Since you (sic) the gifts were received during the competitive bidding process, the entire contract is deemed tainted and funding for all FRNs associated with that Form 470 are denied. Based on this information it appears that you did not conduct a fair and open competitive process, free from outside influence.”

There is no evidence that these meals created any “outside influence” or that the competitive bidding process was neither fair nor open. It is important to note that Trillion and KCUSD first signed a contract for services in February 2005 in response to KCUSD’s 2005-06 RFP related to wireless WAN services. The trip to Austin, Texas was for the purpose of reviewing Trillion’s products and services and conducting due

⁴ It is noted that **only** state procurement and gift laws were applicable at the time these events took place. It is clear that SLD tried to impose federal standards, although as discussed herein, such standards were not adopted at the time.

diligence on a potential vendor. Additionally, given the wide rural outline of KCUSD, it was important to have the opportunity to meet with other school district personnel (from other states, as well as California) to discuss technology and share experiences with different solutions. All other meals and travel took place after the initial contract was awarded to Trillion; they were part of a normal and ongoing business relationship and, while they may now be seen as exceeding the new standard adopted as part of the Sixth Report and Order ⁵, it is presumptive and unproven to assume they created any undue influence as part of the competitive bidding process.

In summary, KCUSD treated all bidders equally and did not favor them or improperly share information. Trillion and KCUSD maintained a normal business relationship. It is essential that school districts be allowed to have communications with their current vendors in order for the district to obtain the full benefit of the services being supplied. There was no improper pressure from Trillion or any inducements to contract with them. The fact that there was only one bidder cannot create a presumption of undue influence. There may be many factors limiting the number of bidders, such as the remoteness of the locations, the need to add to existing infrastructure, the economics of the situation, etc. Therefore, SLD has failed to establish credible evidence of “undue influence” or a competitive bidding process that was not fair and open.

C. **Did the SLD apply the proper standard to determine whether there were any violations of gift rules?**

FCC regulations state that an applicant must submit bids that “have complied with all applicable state and local laws regarding procurement of services for which support is being sought.” (47 C.F.R. § 54.504(c)(1)(vii).) The regulations and the SLD’s web site

⁵ FCC 10-175, issued on September 23, 2010.

guidance do not add additional parameters or legal restrictions. The SLD June 4 letter suggests that several items exceeded the federal gift limit. Apparently SLD was referring to the federal executive employee gift limit of \$20 per item, not to exceed \$50 per calendar year. However, at the time of the occurrences, as well as at the time of the June 4 letter, the federal gift limits applied only to officers and employees of federal government agencies. (5 C.F.R. §§ 2635.102(h) and 2635.204(a)) They did not apply to local government employees or to E-rate contracts until the Federal Communications Commission adopted new rules as part of the Sixth Report and Order, dated September 23, 2010⁶.

California law, like many state laws, specifies a different gift limit which is applicable to some but not all public officials. This distinction is necessary to ensure that those employees who have no role in selecting or evaluating vendors are not held to a more restrictive gift standard. During calendar years 2005 and 2006, specified public officials were limited to receiving gifts of \$360 per calendar from each source. During 2007 and 2008, the limit was \$390 per year, and for 2009 and 2010 it is \$420 per year.⁷ (See - California Code of Regulations, title 2, § 18940.2, as amended.)

Neither California law nor KCUSD policy contain any other parameters such as prohibiting gifts from a person contracting with a public agency. For example, the California Public Contracts Code governs public contracting. It states that school districts must procure technological products and services by using a competitive process where bids are solicited. Although both KCUSD and the state of California take ethics

⁶ *Ibid*; paragraphs 85 *et seq.*

⁷ See California Code of Regulations, title 2, § 18940.2, as amended, attached. We include several versions of section 18940.2, as the gift limit changes every two years to track changes in the inflation index.

seriously, the Public Contracts Code does not impose a ban on meals or travel provided by vendors or prospective vendors.⁸

KCUSD employees who attended meals and conferences were not subject to the gift limit described above. As described by the Fair Political Practices Commission:

If you are an employee of a local government agency who is designated in the agency's conflict-of-interest code, you may not accept gifts from any single source totaling more than \$420 in a calendar year if you are required to report receiving income or gifts from that source on your statement of economic interests. [citing Gov. Code, § 89503(c)] (Emphasis added.)⁹

KCUSD has adopted Board Bylaw 9270, its conflict of interest code. It specifies various officials that are “designated” employees who must file a “statement of economic interests.”¹⁰ None of the KCUSD employees that attended business meals were “designated” employees and none were subject to the gift limit. Therefore, there can be no finding that the state and local gift rules were violated.

D. **The rules in effect at the time of the alleged violation must be the rules applied to the circumstances.**

SLD seems to have taken the rule promulgated as part of the September 23 Sixth Report and Order¹¹ and applied it **retroactively** to the circumstances of the instant case. This is an inappropriate action on their part and exceeds their authority. It is clear from the language of the Sixth Report and Order that the Federal Communications Commission intended only prospective application of the rules, as it mentions numerous times “the rules we adopt today” or “the rule we adopt herein.”

⁸ See California Public Contracts Code § 20118.2, attached.

⁹ See LIMITATIONS AND RESTRICTIONS ON GIFTS, HONORARIA, TRAVEL AND LOANS at p. 2 (California Fair Political Practices Commission, Feb. 2010).

¹⁰ Board Bylaw 9270 attached.

¹¹ 47 CFR § 54.503, as amended by the Sixth Report and Order dated September 23, 2010.

SLD is guilty of overreaching in their zeal to pursue violations of the newly amended gift rule. SLD does not have the authority to promulgate rules; only the FCC can do that, and such official action was not taken until September 23. Thus the application of the newly amended standard to events which took place in 2006 and 2007 is arbitrary and capricious on the part of SLD and must be reversed.

III. Prayer for Relief

We respectfully seek review of SLD's Funding Commitment Decisions and ask that the entire set of circumstances surrounding the posted Form 470 and subsequent contract be taken into consideration in deciding whether KCUSD, in fact, violated any FCC or state guidelines that were in effect at the time of such events (or even in effect at the time of SLD's June 4, 2010 letter).

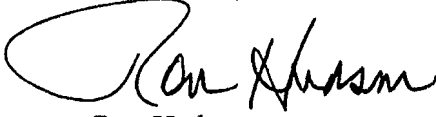
In order to ensure that we ask that the cited Form 471 applications from Funding Years 2008, 2009 and 2010 be remanded to SLD to provide specific examples of such gifts, meals, gratuities or entertainment and show specific evidence supporting the determination that the receipt of such gifts, meals, gratuities, or entertainment "resulted in a competitive process that was no longer fair and open."

Alternative Waiver Request

In the alternative, if KCUSD is found to have violated the competitive bidding requirements by not having a fair and open process, we respectfully ask that such requirement be waived. Strict compliance with the rule would not further the purpose of 47 U.S.C. § 254(h), which directs the Federal Communications Commission to "enhance . . . access to advanced telecommunications and information services for all public and non-profit elementary and secondary school classrooms, health care providers and libraries." To uphold the denial of funding would inflict undue hardship on the thousands

of students served by the KCUSD District. It defies common sense to deny almost \$1,000,000 in potential E-rate funding¹² over the receipt of \$1118.98 in meal and travel expenses. Therefore, we would ask that the requirement be waived and the Form 471 applications for each of Funding Years 2008, 2009 and 2010 be sent back to SLD for processing in accordance with the arguments raised herein.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ron Hudson", written over a large, loopy initial "R".

Ron Hudson
Deputy Superintendent
Kings Canyon Unified School District

NOVEMBER 10, 2010

¹² There are five separate FRNs totaling \$993,264.00 in pre-discount costs. For Funding Year 2008 the subtotal is \$337,848.00; the discount percentage for these FRNs is 87%. For Funding Year 2009 the subtotal is \$337,848.00; the discount percentage for these FRNs is 85%. For Funding Year 2010 the subtotal is \$337,848.00; the discount percentage for this FRN is 86%. (The reason for the varying discount percentages has to do with certain schools being included or not within the FRNs.)

September 15, 2010 FCDL (Form 471 No. 602928)



Universal Service Administrative Company
Schools & Libraries Division

SCHOOLS AND LIBRARIES DIVISION

FCDL Re-Mail Advisory

To: Kings Canyon Unified School District
Attn: Superintendent
675 W. Manning Avenue
Reedley, CA 93654-2427
Form 471 Application #602928

Date September 28, 2010

IMPORTANT NOTICE

Enclosed you will find your Funding Commitment Decision Letter (FCDL). The letter was deemed 'un-deliverable' by the U.S. Post Office and returned to SLD's Client Operations Department. It is important to note that the date of the original FCDL has been modified by SLD's Client Operations Department to accommodate the delivery delay. A new 'FCDL Date' and the signature of the Client Operations Representative have been added to the original letter.

This advisory is especially important if you are considering filing an appeal. Appeals of funding commitments must be filed within 60 days of the date on the Funding Commitment Decision Letter. In this case, the new FCDL date. In the event that you do submit an appeal it would be advisable to enclose a copy of your FCDL and this FCDL Re-Mail Advisory Cover Sheet with your appeal correspondence. See the "Appeals Procedure" in the Reference Area of the SLD web site <www.sl.universalservice.org> for more information on appeal deadlines and how to file your appeal.

Further, be advised that all terms and conditions imposed by the Schools and Libraries Program on applicants or service providers that are dependent on the FCDL date (in this situation, the new FCDL date) will apply.

Schools and Libraries Division
Toll-Free: (888) 203-8100
Fax Toll-Free: (888) 276-8736



Schools and Libraries Division
Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

TIME SENSITIVE MATERIAL

00003
CARLOS ALVAREZ
KINGS CANYON UNIF SCHOOL DIST
P.O. BOX 242157
MONTGOMERY, AL 36124



Schools and Libraries Division

SEP 28 2010 AM11:08

FUNDING COMMITMENT DECISION LETTER

(Funding Year 2008: 07/01/2008 - 06/30/2009)

Rachel [Signature]
September 15, 2010, *Chen [Signature]*

CARLOS ALVAREZ
KINGS CANYON UNIF SCHOOL DIST
P.O. BOX 242157
MONTGOMERY, AL 36124

Re: Form 471 Application Number: 602928
Billed Entity Number (BEN): 144054
Billed Entity FCC RN: 0006743595
Applicant's Form Identifier: 144054-2008-471-TRILLION

Thank you for your Funding Year 2008 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$293,927.76 is "Denied."

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service Confirmation Form. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- Review technology planning approval requirements
- Review CIPA requirements
- File Form 486
- Invoice USAC using the Form 474 (service provider) or Form 472 (Billed Entity applicant) - as products and services are being delivered and billed

TO APPEAL THIS DECISION:

You have the option of filing an appeal with the SLD or directly with the Federal Communications Commission (FCC).

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN),
 - Form 471 Application Number 602928 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2008," AND
 - The exact text or the decision that you are appealing.

3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to USAC by fax, fax your appeal to (973) 599-6542.

To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Road
P.O. Box 902
Whippany, NJ 07981

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

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FUNDING COMMITMENT REPORT
Billed Entity Name: KINGS CANYON UNIF SCHOOL DIST
BEN: 144054
Funding Year: 2008

Comment on RAL corrections: The shared discount was increased to a level that could be validated based on third party data.

Form 471 Application Number: 602928
Funding Request Number: 1661563
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 792580000587057
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: NA
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2008
Service End Date: N/A
Contract Award Date: 02/07/2007
Contract Expiration Date: 06/30/2012
Shared Worksheet Number: 949821
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$317,568.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$317,568.00
Discount Percentage Approved by the USAC: 87%
Funding Commitment Decision: \$0.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: MRI: The discount for Reddley High School was increased based on the requested discount in Form 471 application 637659 which was filed by Cenic-Corporation for Education. <><><><><> This FRN is denied because the documents provided by you and/or your vendor indicates that there was not a fair and open competitive bid process free from conflicts of interest. The documentation provided by you and/or your service provider indicates that prior to/throughout your contractual relationship with the service provider listed on the FRN, that you were offered and accepted either gifts, meals, gratuities, entertainment from the service provider, WHICH resulted in a competitive process that was no longer fair and open and therefore funding is denied.
FCDL Date: 09/15/2010
Wave Number: 80L
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Billed Entity Name: KINGS CANYON UNIF SCHOOL DIST
BEN: 144054
Funding Year: 2008

Comment on RAL corrections: The shared discount was increased to a level that could be validated based on third party data.

Form 471 Application Number: 602928
Funding Request Number: 1706205
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 792580000587057
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: N/A
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2008
Service End Date: N/A
Contract Award Date: 02/07/2007
Contract Expiration Date: 06/30/2012
Site Identifier: 16044357
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$20,280.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$20,280.00
Discount Percentage Approved by the USAC: 87%
Funding Commitment Decision: \$0.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: MRI: The discount for Reddley High School was increased based on the requested discount in Form 471 application 637659 which was filed by Cenic-Corporation for Education. <><><><><> This FRN is denied because the documents provided by you and/or your vendor indicates that there was not a fair and open competitive bid process free from conflicts of interest. The documentation provided by you and/or your service provider indicates that prior to/throughout your contractual relationship with the service provider listed on the FRN, that you were offered and accepted either gifts, meals, gratuities, entertainment from the service provider, WHICH resulted in a competitive process that was no longer fair and open and therefore funding is denied.
FCDL Date: 09/15/2010
Wave Number: 80L
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

September 15, 2010 FCDL (Form 471 No. 672183)



FUNDING COMMITMENT DECISION LETTER
(Funding Year 2009: 07/01/2009 - 06/30/2010)

September 15, 2010

Nanette Rodriguez or Amie Campbell
KINGS CANYON UNIF SCHOOL DIST
1800 30th Street Suite 175
Bakersfield, CA 93301

Re: Form 471 Application Number: 672183
Billed Entity Number (BEN): 144054
Billed Entity FCC RN: 0006743595
Applicant's Form Identifier: Yrl2-Contract

Thank you for your Funding Year 2009 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$306,796.11 is "Approved."
- The amount, \$287,170.80 is "Denied."

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service Confirmation Form. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
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- Review CIPA requirements
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TO APPEAL THIS DECISION:

You have the option of filing an appeal with the SLD or directly with the Federal Communications Commission (FCC).

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN),
 - Form 471 Application Number 672183 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2009," AND

- The exact text or the decision that you are appealing.
- 3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
- 4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
- 5. Provide an authorized signature on your letter of appeal.

To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to USAC by fax, fax your appeal to (973) 599-6542.

To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Road
P.O. Box 902
Whippany, NJ 07981

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

OBLIGATION TO PAY NON-DISCOUNT PORTION

Applicants are required to pay the non-discount portion of the cost of the products and/or services to their service provider(s). Service providers are required to bill applicants for the non-discount portion. The FCC stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If USAC is being billed via the FCC Form 474, the service provider must bill the applicant at the same time it bills USAC. If USAC is being billed via the FCC Form 472, the applicant pays the service provider in full (the non-discount plus discount portion) and then seeks reimbursement from USAC. If you are using a trade-in as part of your non-discount portion, please refer to our website for more information.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

FUNDING COMMITMENT REPORT
Billed Entity Name: KINGS CANYON UNIF SCHOOL DIST
BEN: 144054
Funding Year: 2009

Comment on RAL corrections: Zumwalt Elementary has been removed from Block 4, Worksheet 1097493, of the Form 471 application at the request of the applicant.

Form 471 Application Number: 672183
Funding Request Number: 1834931
Funding Status: Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 712860000635774
SPIN: 143002665
Service Provider Name: Pacific Bell Telephone Company
Contract Number: NA
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/04/2008
Contract Expiration Date: 06/30/2012
Shared Worksheet Number: 1087527
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$196,472.76
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$196,472.76
Discount Percentage Approved by the USAC: 85%
Funding Commitment Decision: \$167,001.85 - FRN approved as submitted

FCDL Date: 09/15/2010
Wave Number: 066
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Billed Entity Name: KINGS CANYON UNIF SCHOOL DIST
BEN: 144054
Funding Year: 2009

Comment on RAL corrections: Zumwalt Elementary has been removed from Block 4, Worksheet 1097493, of the Form 471 application at the request of the applicant.

Form 471 Application Number: 672183
Funding Request Number: 1834932
Funding Status: Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 712860000635774
SPIN: 143001192
Service Provider Name: AT&T Corp.
Contract Number: NA
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/04/2008
Contract Expiration Date: 06/30/2012
Shared Worksheet Number: 1087527
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$7,858.32
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$7,858.32
Discount Percentage Approved by the USAC: 85%
Funding Commitment Decision: \$6,679.57 - FRN approved as submitted

FCDL Date: 09/15/2010

Wave Number: 066

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Billed Entity Name: KINGS CANYON UNIF SCHOOL DIST
BEN: 144054
Funding Year: 2009

Comment on RAL corrections: Zumwalt Elementary has been removed from Block 4, Worksheet 1097493, of the Form 471 application at the request of the applicant.

Form 471 Application Number: 672183
Funding Request Number: 1834934
Funding Status: Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 712860000635774
SPIN: 143001192
Service Provider Name: AT&T Corp.
Contract Number: NA
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/04/2008
Contract Expiration Date: 06/30/2012
Shared Worksheet Number: 1087527
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$60,223.68
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$60,223.68
Discount Percentage Approved by the USAC: 85%
Funding Commitment Decision: \$51,190.13 - FRN approved as submitted

ECDL Date: 09/15/2010
Wave Number: 066
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Billed Entity Name: KINGS CANYON UNIF SCHOOL DIST
BEN: 144054
Funding Year: 2009

Comment on RAL corrections: Zumwalt Elementary has been removed from Block 4, Worksheet 1097493, of the Form 471 application at the request of the applicant.

Form 471 Application Number: 672183
Funding Request Number: 1834935
Funding Status: Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 712860000635774
SPIN: 143022137
Service Provider Name: AT&T Corp.
Contract Number: NA
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/04/2008
Contract Expiration Date: 06/30/2012
Shared Worksheet Number: 1087527
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$96,381.84
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$96,381.84
Discount Percentage Approved by the USAC: 85%
Funding Commitment Decision: \$81,924.56 - FRN approved as submitted

FCDL Date: 09/15/2010
Wave Number: 066
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

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FUNDING COMMITMENT REPORT
Billed Entity Name: KINGS CANYON UNIF SCHOOL DIST
BEN: 144054
Funding Year: 2009

Comment on RAL corrections: Zumwalt Elementary has been removed from Block 4, Worksheet 1097493, of the Form 471 application at the request of the applicant.

Form 471 Application Number: 672183
Funding Request Number: 1834939
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 792580000587057
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: NA
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/07/2007
Contract Expiration Date: 06/30/2012
Shared Worksheet Number: 1087527
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$317,568.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$317,568.00
Discount Percentage Approved by the USAC: 85%
Funding Commitment Decision: \$0.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: This FRN is denied because the documents provided by you and/or your vendor indicates that there was not a fair and open competitive bid process free from conflicts of interest. The documentation provided by you and/or your service provider indicates that prior to/throughout your contractual relationship with the service provider listed on the FRN, that you were offered and accepted either gifts, meals, gratuities, entertainment from the service provider, WHICH resulted in a competitive process that was no longer fair and open and therefore funding is denied.

FCDL Date: 09/15/2010

Wave Number: 066

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011